



# Modular vs. Categorical Budgets

How? Why? Who? When? What?!

PHS Form 398

# What should you use?

- Modular or Categorical?
  - How much do you need?
- If less than \$250K in any year
  - Modular budget (\$25,000 is a module)
  - No routine escalation for future years
  - Most Modular applications request same number of modules each year

# Who wants to know?

- Scientific Review Group (SRG)
  - Evaluation based on general, expert estimate of total effort and resources required for research
- Grants Management (GM) Preaward -  
Allowable, Reasonable, Allocable
- Program & GM
  - Appropriate funding level review

# How do I figure it out?

- Calculate total direct costs for entire project
- Subtract one-time costs (e.g. equipment)
- Divide remainder by number of years
- Add one module for year affected by increase

Example:

- \$195,000 year 1  
(\$25K equipment)
- \$175,000 year 2
- \$180,000 year 3
- $\$550\text{K} - \$25\text{K} = \$535\text{K}$   
 $\$535/3 = \$175 \text{ /year}$   
\$200K year 1  
\$175K years 2 & 3

# Where do I put it?

## Modular budget page!

- Show total direct costs each year
- List key project personnel
  - Names, % time and effort, and role on project
- ✦ For consortium/contractual costs---Provide estimate of TOTAL COST (DC +F&A) along with names of key personnel, T&E, role and if organization is foreign or domestic
- Justify any variation in modules requested

# Why use Categorical budgets?

- If any year exceeds \$250,000
- Use budget form page 4, and form page 5
  - Detailed categorical budgets AND justify
    - All personnel salaries, time and effort, fringe benefits year 1
    - Equipment, supplies, travel, other expenses
    - Separate budget page form 4 and form 5 for consortium participants

# What should you include?

- Budget Justification:
  - Equipment – list each item and cost
  - Supplies – itemize by categories if <\$1,000
  - Animals? State species and number to be used
  - Patient Care costs – include projected patient accrual, # of days, estimated cost per day and costs per treatment or test

# What Else?

- Consultants – provide names and organizational affiliations whether requesting costs or not. Provide letters confirming participation.
  - On justification page, include
  - Number of days of consultation anticipated
  - Expected rate of compensation, travel, per diem and other related costs



# How about Other Expenses?

- List expenses by category and unit cost on budget page
- On justification page, provide narrative description of other expenses
  - Rental leases
  - Service contracts
  - Animal and equipment maintenance
  - Publication costs
  - Tuition Remission



# Notice Of Grant Award

- **LEGALLY BINDING DOCUMENT**
  - Establishes funding level
  - Establishes period of support
  - Sets forth terms and conditions of award
  - NIH Contact Information
    - Program Director
    - Grants Management Specialist

# Questions about your award?

- Read the Notice of Grant Award (NGA)
- Look in the NIH Grants Policy Statement
- Call your Research Administrator
- Call or e-mail the contacts on your NGA
- E-mail NIH grants Policy helpdesk

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